

**DONELAN, CLEARY, WOOD & MASER, P.C.**

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RECORDATION NO. 20137-B FILED 1425

October 18, 1996

OCT 18 1996 2 34 PM

Recordation No. 20137-B and-C

Dear Mr. Williams:

On behalf of Comerica Leasing Corporation, I submit for filing and recording under 49 U.S.C. § 11301 and the regulations applicable thereunder, counterparts of two secondary documents, not previously recorded, the first document entitled First Amendment to Master Equipment Lease Agreement and Lease Supplement and Acceptance Certificate ("Amendment"), dated October 18, 1996, to be recorded under Recordation No. 20137-B and the second document entitled Lease Supplement and Acceptance Certificate No. 2 ("Supplement 2"), dated October 18, 1996, to be recorded under Recordation No. 20137-C.

The parties to both Amendment and Supplement 2 are:

Comerica Leasing Corporation - LESSOR  
Second Floor  
29201 Telegraph Road  
Southfield, MI 48034

Dakota, Minnesota & Eastern - LESSEE  
Railroad Corporation  
337 22nd Avenue South  
Brookings, SD 57006

The said Amendment amends certain provisions of the Master Equipment Lease Agreement under Recordation 20137 and corrects the misidentification of one locomotive in the Lease Supplement and Acceptance Certificate under Recordation No. 20137-A.

Supplement 2 adds 6 locomotives to the Master Equipment Lease Agreement under Recordation No. 20137.

The equipment covered by the Amendment and by Supplement 2 is identified in Annex A to each.

A short summary of the Amendment to appear in the Surface Transportation Board Index is as follows:

"Amends certain provisions in above Master Lease and corrects identification number for one locomotive."

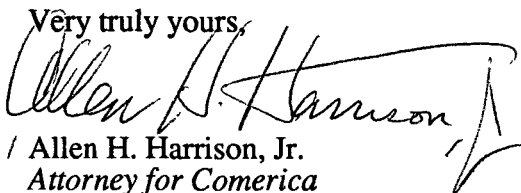
A short summary of Supplement 2 to appear in the Surface Transportation Board Index is as follows:

"Adds 6 locomotives to above Master Lease."

Enclosed is a check in the amount of forty four dollars (\$44.00) in payment of the filing fees.

Once the filings have been made, please return to bearer the stamped counterpart(s) of the documents not required for filing purposes, together with the letter/fee receipt from the Surface Transportation Board, acknowledging the filings, and the two extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in black ink, appearing to read "Allen H. Harrison, Jr.", with a stylized flourish at the end.

/ Allen H. Harrison, Jr.  
Attorney for Comerica  
Leasing Corporation for  
the purpose of this filing.

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, DC 20423

*Enclosures*

BY-HAND

8350-020

-B

**FIRST AMENDMENT TO MASTER EQUIPMENT LEASE AGREEMENT  
AND LEASE SUPPLEMENT AND ACCEPTANCE CERTIFICATE**

20137-B  
FILED 1425  
OCT 18 1996 -2 25 PM

**THIS FIRST AMENDMENT** dated as of October 18, 1996 (the "First Amendment") is between Comerica Leasing Corporation, a Michigan corporation ("Lessor") and Dakota, Minnesota & Eastern Railroad Corporation, a Delaware corporation ("Lessee") and amends that certain Master Equipment Lease Agreement dated as of June 13, 1996 ("Lease") and that certain Lease Supplement and Acceptance Certificate dated as of June 13, 1996 ("Lease Supplement") both between the Lessor and the Lessee, having Recordation Numbers 20137 and 20137-A, respectively. All capitalized terms used herein and not otherwise defined herein shall have their respective meanings as set forth in the Lease.

**WHEREAS**, the parties desire to amend certain provisions of the Lease and the Lease Supplement to modify the definition of "Acquisition Cost" in Section 1 of the Lease and to correct the misidentification of one of the Locomotives (HLCX 6055) in Annex A to the Lease Supplement with such Locomotives actual mark, (HATX 600).

**NOW, THEREFORE**, in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

1. Amendment of Section 1 to Lease. Section 1 of the Lease is hereby amended such that the definition for the term "Acquisition Cost" shall be and is hereby amended to provide as follows:

"Acquisition Cost" means (as of any date of determination) an amount, set forth in each Lease Supplement for the particular Equipment described therein, equal to the sum of (a) the total cost paid by Lessor for or in connection with the Equipment, plus (b) all excise, sales and use taxes paid by Lessor on or with respect to the acquisition of the Equipment, plus (c) Transaction Costs, less (d) the total cost paid by Lessor for or in connection with those particular items of the Equipment which have been the subject of an Event of Loss and for which an amount equal to the Casualty Loss Value for such items of Equipment has been paid in full to Lessor; provided, however, for purposes of calculating the Basic Payment, the Casualty Loss Values and the Termination Values under the Operative Documents, Acquisition Cost shall not include any amount defined as Transaction Costs.

2. Amendment and Replacement of Annex A to Lease Supplement. Annex A to the Lease Supplement is hereby deleted in its entirety and replaced by Annex A to the First Amendment.

3. Representations and Warranties. Each party hereto represents and warrants to each other party hereto that such party has duly and validly executed and delivered this First Amendment and this First Amendment constitutes such party's legal, valid and binding obligation, enforceable against such party in accordance with its terms.

4. Incorporation. This First Amendment shall be construed as one with the Lease, and the Lease shall, where the context requires, be read and construed throughout so as to incorporate this First Amendment.

5. Continuing Effect. This First Amendment does not cancel or extinguish the Lease. The parties expressly agree that the Lease and Lease Supplement shall be modified only in respect of the matters referred to herein, and are otherwise in full force and effect.

6. Counterparts. This First Amendment may be executed in any number of counterparts and all of such counterparts, taken together, shall be deemed to constitute one and the same instrument.

7. Governing Law. This First Amendment shall be governed by and construed in accordance with the laws of the State of Michigan without reference to the choice of law principles thereof.

**IN WITNESS WHEREOF,** the parties hereto have caused this First Amendment to be executed by duly authorized officers or other person, as of the date first above written.

COMERICA LEASING CORPORATION

By: \_\_\_\_\_

Larry B. Strahm

Its: Vice President

DAKOTA, MINNESOTA & EASTERN  
RAILROAD CORPORATION

By: \_\_\_\_\_

Kurt V. Feaster

Its: Chief Financial Officer

3. Representations and Warranties. Each party hereto represents and warrants to each other party hereto that such party has duly and validly executed and delivered this First Amendment and this First Amendment constitutes such party's legal, valid and binding obligation, enforceable against such party in accordance with its terms.

4. Incorporation. This First Amendment shall be construed as one with the Lease, and the Lease shall, where the context requires, be read and construed throughout so as to incorporate this First Amendment.

5. Continuing Effect. This First Amendment does not cancel or extinguish the Lease. The parties expressly agree that the Lease and Lease Supplement shall be modified only in respect of the matters referred to herein, and are otherwise in full force and effect.

6. Counterparts. This First Amendment may be executed in any number of counterparts and all of such counterparts, taken together, shall be deemed to constitute one and the same instrument.

7. Governing Law. This First Amendment shall be governed by and construed in accordance with the laws of the State of Michigan without reference to the choice of law principles thereof.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed by duly authorized officers or other person, as of the date first above written.

COMERICA LEASING CORPORATION

By: \_\_\_\_\_

Larry D. Strahm

Its: Vice President

DAKOTA, MINNESOTA & EASTERN  
RAILROAD CORPORATION

By: \_\_\_\_\_

Kurt V. Feaster


Its: Chief Financial Officer

COUNTERPART NO. \_\_\_\_\_ OF \_\_\_\_\_ SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT IF ANY THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE OF South Dakota)  
COUNTY OF Brookings) ss

I, Joyce E. Hock, a Notary Public of the County and State aforesaid, certify that Kurt V. Feaster personally came before me this day and acknowledged that he is Chief Financial Officer of Dakota, Minnesota & Eastern Railroad Corporation, a Delaware corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Chief Financial Officer.

WITNESS my hand and official stamp or seal, this 17<sup>th</sup> day of October, 1996.

  
Joyce E. Hock  
Notary Public  
Brookings County, South Dakota  
My Commission Expires: 5-5-02

STATE OF MICHIGAN )  
COUNTY OF OAKLAND ) ss

I, Barbara Ann Jester, a Notary Public of the County and State aforesaid, certify that Larry D. Strahm personally came before me this day and acknowledged that he is Vice President of Comerica Leasing Corporation, a Michigan Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President.

COUNTERPART NO. \_\_\_\_\_ OF \_\_\_\_\_ SERIALY NUMBERED MANUALLY  
EXECUTED COUNTERPARTS. TO THE EXTENT IF ANY THAT THIS DOCUMENT  
CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO  
SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE  
TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART  
NO. 1.

STATE OF )  
 ) ss  
COUNTY OF )

I, \_\_\_\_\_, a Notary Public of the County and  
State aforesaid, certify that Kurt V. Feaster personally  
came before me this day and acknowledged that he is Chief  
Financial Officer of Dakota, Minnesota & Eastern Railroad  
Corporation, a Delaware corporation, and that by authority duly  
given and as the act of the corporation, the foregoing instrument  
was signed in its name by its Chief Financial Officer.

**WITNESS** my hand and official stamp or seal, this \_\_\_\_ day of  
\_\_\_\_\_, 1996.

\_\_\_\_\_  
Notary Public  
County, \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_


STATE OF MICHIGAN )  
 ) ss  
COUNTY OF OAKLAND )

I, Barbara Ann Jester, a Notary Public of the County and State  
aforesaid, certify that Larry D. Strahm personally came before me  
this day and acknowledged that he is Vice President of Comerica  
Leasing Corporation, a Michigan corporation, and that by authority  
duly given and as the act of the corporation, the foregoing  
instrument was signed in its name by its Vice President.

**WITNESS** my hand and official stamp or seal, this 17th day of October, 1996.



Barbara Ann Jester, Notary Public  
Oakland County, Michigan  
My Commission Expires: 11/16/96



**BARBARA ANN JESTER**  
Notary Public, Wayne County, Michigan  
Acting in Oakland County  
My Commission Expires November 16, 1996



ANNEX A TO FIRST AMENDMENT

EQUIPMENT DESCRIPTION

The Equipment shall include the various items referenced below:

Six (6) SD40-3, 3000 horsepower, dynamic brake equipped diesel-electric locomotives overhauled by VMW Enterprises, Inc.

Existing Unit Marks		Prior Unit Marks	Marks to be Used by Dakota Minnesota & Eastern Railroad Corporation
HLCX	6050	UP 3017	DME 6050
HLCX	6051	MP 3055	DME 6051
HLCX	6052	UP 3092	DME 6052
HLCX	6053	MP 3069	DME 6053
HLCX	6054	UP 3100	DME 6054
HATX	600	CSXT 4620 and CSXT 8433	DME 6055

LEASE SUPPLEMENT AND ACCEPTANCE CERTIFICATE NO. 8 1996 - 2<sup>35</sup> PM

COMMERCE COMMISSION

**THIS LEASE SUPPLEMENT AND ACCEPTANCE CERTIFICATE NO. 2**

(the "Lease Supplement No. 2") is dated as of October 18, 1996 (the "Acceptance Date"), and is executed by Comerica Leasing Corporation, a Michigan corporation ("Lessor") and Dakota, Minnesota & Eastern Railroad Corporation, a Delaware corporation ("Lessee") pursuant to Section 4 of the Master Equipment Lease Agreement, dated as of June 13, 1996, between Lessee and Lessor and as amended by that certain First Amendment to Master Equipment Lease Agreement and Lease Supplement and Acceptance Certificate of even date herewith (the "Agreement"). All capitalized terms used herein but not defined herein shall have the meanings given to such terms in the Agreement.

Lessee hereby acknowledges and agrees that the equipment specified on Annex A to this Lease Supplement No. 2 (the "Equipment") has been delivered to Lessee on or before the date hereof at the delivery place described below, and that, as between Lessor and Lessee, the Equipment: (a) has been inspected to the complete satisfaction of Lessee; (b) is in good operating order, repair and condition, without defect or inherent vice in title; (c) is of a size, design, capacity and manufacture selected by Lessee and has been fully refurbished in accordance with the specifications and requirements contained in that certain agreement of purchase and sale dated March 28, 1996 between Lessee and Helm Financial Corporation; (d) is suitable for Lessee's purposes; (e) has been unconditionally accepted by Lessee on the date hereof, for all purposes of the Agreement; and (f) is subject to all of the terms, conditions and provisions of the Agreement, the terms and provisions of which are hereby incorporated as if fully set forth herein. Lessee further acknowledges, agrees and certifies that Lessor has made no warranty, express or implied, with respect to the Equipment and that the insurance policies, certificates or other documents evidencing the coverages required under the Agreement have been delivered to Lessor.

Lessee hereby leases from Lessor the Equipment upon and subject to all of the terms, conditions and provisions of the Agreement, and Lessor and Lessee further agree and state as follows:

1. Delivery Place for the Equipment: Tracey, Minnesota.
2. The Acquisition Cost is \$ \_\_\_\_ \*\*\* \_\_\_\_.
3. The basic term (the "Basic Term") for the Equipment commences on October 18, 1996 (the "Base Lease Commencement Date"), and ends on October 18, 2003, both dates inclusive, unless sooner terminated in accordance with the provisions of the Agreement.

4. At least one hundred eighty (180) days prior to the end of the Basic Term or any Renewal Term (excepting the end of the sixth (6th) Renewal Term which is subject to the provisions of Section 29 of the Agreement) Lessee shall elect either to (a) renew the Agreement for all but not less than all the Equipment described in all Lease Supplements pursuant to the provisions of Section 5 of this Lease Supplement No. 2 for a twelve month period ("Renewal Term") (with the same option for an additional five Renewal Terms) at monthly installments equal to the Base Payment Factor for such Equipment multiplied by the Acquisition Cost for such Equipment; (b) purchase all such Equipment pursuant to the provisions of Section 6 of this Lease Supplement No. 2; or c) terminate the Agreement with respect to all such Equipment pursuant to the provisions of Section 7 of this Lease Supplement No. 2.

5. So long as such renewal shall not be prohibited by any applicable law or governmental regulation, Lessee may at its option, at the expiration of the Basic Term, or any Renewal Term, renew the lease of all but not less than all the Equipment described in all Lease Supplements for not more than six (6) renewal terms in the aggregate, each of one (1) year(s) duration (each such term, a "Renewal Term"). Such option to renew shall be exercised by Lessee giving notice of renewal to Lessor, which notice shall be irrevocable, at least one hundred eighty (180) days) prior to the expiration of the Basic Term and each of the first five (5) Renewal Terms, if any. If Lessee fails to give such a notice within the permitted time period, provided that Lessee has not then exercised its options pursuant to Sections 6 or 7 of this Lease Supplement No. 2, Lessee shall be deemed to have requested a Renewal Term extension under Section 4(a) hereof. All of the provisions of the Agreement shall be applicable during each Renewal Term. Anything in the Agreement, this Lease Supplement No. 2 or any related document or agreement to the contrary notwithstanding, unless Lessor otherwise consents in writing, the Agreement may not be renewed for any Renewal Term if a Default or an Event of Default shall have occurred and be continuing on the day preceding the first day of such Renewal Term.

6. To the extent no Default or Event of Default shall have occurred and be continuing, Lessee may purchase all but not less than all the Equipment described in all Lease Supplements on any annual anniversary date of the Base Lease Commencement Date during the Term upon at least one hundred eighty (180) days prior written notice to Lessor. Once given, such notice shall be irrevocable. Lessee may exercise such early purchase option to the extent the following conditions are met: (a) on the Basic Payment Date designated for such sale and purchase by Lessee, Lessee pays Lessor the Termination Value and Make-Whole Amount for such date in good, immediately available funds; (b) on the Basic Payment

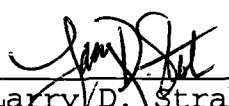
Date designated for such sale and purchase by Lessee, Lessee pays Lessor all Basic Payments and Supplemental Payments then due and owing or accrued to such date; (c) Lessee shall pay all Sales Expenses associated with the sale of Equipment; together with the Make-Whole Amount (if any) then applicable; and (d) Lessee shall retain such Equipment. Upon receipt of all funds then due and owing to Lessor hereunder, Lessor shall sell such Equipment to Lessee on an "as-is, where-is" without recourse or warranty, express or implied, basis and deliver a bill of sale and all the documentation reasonably necessary to transfer to Lessee all of Lessor's right, title and interest in and to such Equipment, without recourse to or warranty by Lessor.

7. To the extent no Default or Event of Default shall have occurred and be continuing, and upon a reasonable good faith determination by the board of directors or its designee of Lessee that all but not less than all the Equipment described in this Lease Supplement No. 2 is obsolete or surplus for the purposes of Lessee, Lessee may terminate the Agreement on any annual anniversary date of the Base Lease Commencement Date during the Term upon at least one hundred eighty (180) days prior written notice to Lessor. Once given, such notice shall be irrevocable. Lessee may exercise such early termination option to the extent the following conditions are met: (a) Lessee arranges for the sale of all but not less than all the Equipment described in all Lease Supplements to a Third Party Purchaser which is financially capable of purchasing such Equipment; (b) on the Basic Payment Date designated for such sale, such Third Party Purchaser pays Lessor the previously agreed purchase amount in good, immediately available funds; (c) in the event that such purchase amount is less than the sum of the Termination Value and the make-whole amount for such date, Lessee shall pay Lessor the difference between such purchase amount and the Termination Value and Make-Whole amount and the Termination Value and Make-Whole amount for such date; (d) on the Basic Payment Date designated for such sale, Lessee shall pay all Basic Payments and Supplemental Payments then due and owing or accrued; (e) on the Basic Payment Date designated for such sale, Lessee shall pay, or cause to be paid, all Sales Expenses associated with such sale of such Equipment, together with the Make-Whole Amount (if any) then applicable and (f) Lessee shall deliver such Equipment to such Third Party Purchaser in accordance with the provisions of Section 6 of the Agreement as if such Third Party Purchaser were the Lessor. Upon receipt of all amounts in good funds then due and owing to Lessor hereunder, Lessor shall sell such Equipment to such Third Party Purchaser on an "as-is, where-is" basis and deliver a bill of sale and all other documentation reasonably necessary to transfer to such Third Party Purchaser all of Lessor's right, title and interest in and to such Equipment, without recourse to or warranty by Lessor, express or implied.

8. The Basic Payment Factor is \*\*\* %.
9. The transaction rate (the "Transaction Rate") is \*\*\* %.
10. The Casualty Loss Value percentages for the Equipment during the Term are set forth on Annex B hereto.
11. The Maximum Lessee Risk Amount percentages and the Maximum Lessor Risk Amount percentages for the Equipment during the Term are set forth on Annex C hereto.
12. The Termination Value percentages for the Equipment during the Term are set forth on Annex D hereto.
13. This Lease Supplement and Acceptance Certificate No. 2 may be executed in as many counterparts as shall be determined by the parties hereto when so executed, and each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

**IN WITNESS WHEREOF**, the parties hereto have caused this Lease Supplement and Acceptance Certificate No. 2 to be executed by their duly authorized representatives as of the date first above written.

COMERICA LEASING CORPORATION

By:   
Larry D. Strahm  
Its: Vice President

DAKOTA, MINNESOTA & EASTERN  
RAILROAD CORPORATION

By: \_\_\_\_\_  
Kurt V. Feaster  
Its: Chief Financial Officer

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\*\*\* Commercially sensitive information omitted from filing copy

8. The Basic Payment Factor is \*\*\* %.
9. The transaction rate (the "Transaction Rate") is \*\*\* %.
10. The Casualty Loss Value percentages for the Equipment during the Terms are set forth on Annex B hereto.
11. The Maximum Lessee Risk Amount percentages and the Maximum Lessor Risk Amount percentages for the Equipment during the Term are set forth on Annex C hereto.
12. The Termination Value percentages for the Equipment during the Term are set forth on Annex D hereto.
13. This Lease Supplement and Acceptance Certificate No. 2 may be executed in as many counterparts as shall be determined by the parties hereto when so executed, and each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

**IN WITNESS WHEREOF**, the parties hereto have caused this Lease Supplement and Acceptance Certificate No. 2 to be executed by their duly authorized representatives as of the date first above written.

COMERICA LEASING CORPORATION

By: \_\_\_\_\_  
Larry D. Strahm

Its: Vice President

DAKOTA, MINNESOTA & EASTERN  
RAILROAD CORPORATION

By: Kurt V. Feaster  
Kurt V. Feaster

Its: Chief Financial Officer

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\*\*\* Commercially sensitive information omitted from filing copy

COUNTERPART NO. \_\_\_\_\_ OF \_\_\_\_\_ SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT IF ANY THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE OF \_\_\_\_\_ )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a Notary Public of the County and State aforesaid, certify that Kurt V. Feaster personally came before me this day and acknowledged that he is Chief Financial Officer of Dakota, Minnesota & Eastern Railroad Corporation, a Delaware corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Chief Financial Officer.

**WITNESS** my hand and official stamp or seal, this \_\_\_\_ day of \_\_\_\_\_, 1996.

\_\_\_\_\_  
Notary Public

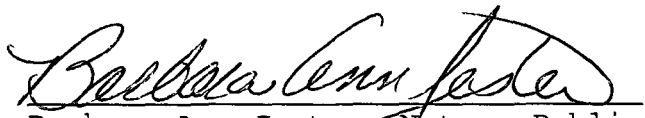
County, \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

STATE OF MICHIGAN )  
 ) ss  
COUNTY OF OAKLAND )

I, Barbara Ann Jester, a Notary Public of the County and State aforesaid, certify that Larry D. Strahm personally came before me this day and acknowledged that he is Vice President of Comerica Leasing Corporation, a Michigan corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President.

**WITNESS** my hand and official stamp or seal, this 17th day of October, 1996.

  
Barbara Ann Jester, Notary Public  
Oakland County, Michigan  
My Commission Expires: 11/16/96

Comerica/DM&E/Lse/ComerLseSupp

**BARBARA ANN JESTER**  
Notary Public, Wayne County, Michigan  
Acting in Oakland County  
My Commission Expires November 16, 1996

COUNTERPART NO. \_\_\_\_\_ OF \_\_\_\_\_ SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT IF ANY THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE OF South Dakota )  
 ) ss  
COUNTY OF Brookings )

I, Joyce E. Hock, a Notary Public of the County and State aforesaid, certify that Kurt V. Feaster personally came before me this day and acknowledged that he is Chief Financial Officer of Dakota, Minnesota & Eastern Railroad Corporation, a Delaware Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Chief Financial Officer.

WITNESS my hand and official stamp or seal, this 17<sup>th</sup> day of October, 1996.

Joyce E. Hock  
Notary Public  
Brookings County, South Dakota  
My Commission Expires: 5-5-02

STATE OF MICHIGAN )  
 ) ss  
COUNTY OF OAKLAND )

I, Barbara Ann Jester, a Notary Public of the County and State aforesaid, certify that Larry D. Strahm personally came before me this day and acknowledged that he is Vice President of Comerica Leasing Corporation, a Michigan Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President.

WITNESS my hand and official stamp or seal, this 17th day of October, 1996.

Barbara Ann Jester, Notary Public  
Oakland County, Michigan  
My Commission Expires: 11/16/96



ANNEX A TO LEASE SUPPLEMENT NO. 2

EQUIPMENT DESCRIPTION

The Equipment shall include the various items referenced below:

Six (6) GP38-3, 2000 horsepower, dynamic brake equipped diesel-electric locomotives overhauled by MK Rail Corporation.

Existing Unit Marks	Prior Unit Marks	Marks to be Used by Dakota Minnesota & Eastern Railroad Corporation	Serial Number
KCS 781	IC 3045	DME 3830	32865
KCS 760	PC 3130	DME 3831	34307
KCS 789	IC 3053	DME 3832	32873
KCS 795	IC 3059	DME 3833	32879
KCS 764	PC 3135	DME 3834	34312
KYLE 3112	PC 3165	DME 3835	34342

ANNEX B TO LEASE SUPPLEMENT NO. 2

CASUALTY LOSS VALUE SCHEDULE

Casualty Loss  
Value Date

Casualty Loss\*  
Value

Commercially sensitive information omitted from filing copy

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\* Expressed as a percentage of Acquisition Cost; Casualty Loss Values are exclusive of all Basic Payments, Supplemental Payments and Make-Whole Amounts then due or owing or accrued to such Casualty Loss Value Date.

ANNEX C TO LEASE SUPPLEMENT NO. 2

MAXIMUM RISK AMOUNTS

Expiration Date

Lessee Amount\*

Lessor Amount\*

Commercially sensitive information omitted from filing copy

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\* Expressed as a percentage of Acquisition Cost.

ANNEX D TO LEASE SUPPLEMENT NO. 2

TERMINATION VALUE SCHEDULE

Termination  
Value Date

Termination\*  
Value

Commercially sensitive information omitted from filing copy

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\* Expressed as a percentage of Acquisition Cost; Termination Values are exclusive of all Basic Payments, Supplemental Payments and Make-Whole Amounts then due or owing or accrued to such Termination Value Date.